

DEPARTMENT OF HEALTH SERVICES

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July 15, 1997

PPL No. 97-010

To All County Medi-Cal Administrative Activities (MAA)/
Targeted Case Management Coordinators and
Advisory Committee Members

MEDI-CAL ADMINISTRATIVE ACTIVITIES INVOICE TRAINING QUESTIONS AND ANSWERS

Enclosed is the response to questions raised during the MAA invoice training conducted April 21-23, 1997, in Sacramento, San Diego, and San Jose. A few of the questions raised program policy issues that will be further clarified in forthcoming PPLs. Please ensure this information is disseminated to appropriate staff in your Local Governmental Agency (LGA).

If you have any questions, please contact the Administrative Claiming Unit analyst assigned to your LGA.

Sincerely,

Darryl Nixon, Chief
Medi-Cal Benefits Branch

Enclosure

Medi-Cal Administrative Activities:	X
Targeted Case Management:	
Policy Effective Date:	7/ 1/95
Policy Reference:	

cc: See next page.

To All County Medi-Cal Administrative Activities (MAA)/
Targeted Case Management Coordinators and
Advisory Committee Members

PPL No.

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MEDI-CAL ADMINISTRATIVE ACTIVITIES (MAA) INVOICE TRAINING
April 21-23, 1997

QUESTIONS AND ANSWERS

1. In which month will the annual time survey be conducted for FY 1997-98?

Each year, the State Department of Health Services (SDHS) designates a time survey month within the first quarter of the fiscal year (FY). The designated time survey month for FY 1997-98 has not been established. Local governmental agencies (LGAs) will be notified on this matter in a forthcoming Policy and Procedure Letter (PPL.)

2. The third month of the FY, or September, is not a good time survey month for schools. If this is the designated time survey month, do they have to time survey in September?

All claiming units that wish to claim MAA for the first quarter of FY 1997-98 must time survey during the designated time survey month. Schools, as well as other claiming units, have the option of time surveying in subsequent quarters. A request to time survey must be submitted to SDHS thirty (30) days prior to the beginning of the quarter in which the time survey is to be conducted. For example, claiming units wishing to time survey in the second quarter must make this request by September 1, 1997 (PPL No. 96-017.)

Once a subsequent time survey has been conducted, the activity percentages from that time survey must be used for that quarter and for the remaining quarters in the fiscal year unless another time survey is conducted. For example, if a claiming unit time surveys in both the first and second quarters, the time survey results from the first quarter are used for the first quarterly claim, only. The time survey results from the second quarter are used for the second, third, and fourth quarterly claims.

3. If one claiming unit in a LGA wants to conduct a subsequent time survey, must all the claiming units in the LGA also conduct a subsequent time survey?

No. Each claiming unit within an LGA has the option of using the activity percentages from the time survey conducted in the first quarter or conducting subsequent quarterly time surveys.

4. If a claiming unit requests and is granted approval to conduct a subsequent time survey and then changes its mind, must it conduct the subsequent time survey and use the results?

Yes.

5. If a person's time survey form does not indicate whether the person is a Skilled Professional Medical Personnel (SPMP) or non-SPMP, do we need to have a Cost Pool #1? It does not matter on the reimbursement as the FFP for both Cost Pool #1 and Cost Pool #2 is 50%.

Yes. The federal Health Care Financing Administration (HCFA) has requested that we continue to separate SPMP and non-SPMP costs. Your personnel department should be able to provide information to determine the SPMP status of an individual.

6. Who should time survey?

All persons in the claiming unit who perform MAA and whose costs will not be direct charged must participate in the time survey. See Section M.7 of the MAA and Targeted Case Management (TCM) Provider Manual for additional information.

7. How are the time survey results compiled for the MAA Invoice?

A. Gather all of the time survey forms for both TCM case managers and non-TCM case managers. Remember that LGA employed TCM case managers are allowed to perform select MAA.

B. Sort the forms into two categories:

1. Forms of persons whose position description/duty statement includes the performance of MAA. Note: If a person normally performs MAA according to the MAA Claiming Plan, such as working on an outreach campaign, but did not perform MAA during the time survey month, that person's time survey form must still be used to determine the activity percentages for the MAA Invoice.

2. Forms of persons whose position description/duty statement do not include the performance of any MAA. These people may be TCM case managers who do not perform MAA or they may be persons who time surveyed in error. These forms are not used to determine the activity percentages for the MAA Invoice.

C. Using the forms of the persons who perform MAA, add the total number of hours spent performing each activity by all persons participating in the time survey. Note that not all persons perform each activity. Then, add the total number of hours worked by all persons.

D. Divide the total number of hours spent on each activity by the total number of hours worked to determine the activity percentages for each activity.

8. If you add a new position after the time survey has been completed, what do you do with the costs? In which Cost Pool would it be included?

This issue will be the subject of a forthcoming PPL.

9. How often does the actual count have to be done to determine the Medi-Cal discount percentage?

The actual count must be done for one full month of each quarter.

10. Schools have a fall and spring semester and the population does not change significantly. Can schools do a tape match (actual count) twice per year instead of quarterly to determine the Medi-Cal percentage?

This will be referred to the MAA/TCM Advisory Committee and the SDHS Administrative Claiming Unit. However, until a policy decision is reached regarding this issue, schools must use one of the following five approved methodologies for determining the Medi-Cal discount percentage:

1. *An actual head count conducted one full month of each quarter.*
2. *A DHS tape match of enrolled students with Medi-Cal computer eligibility files once each quarter.*
3. *An unadjusted AFDC count once each year.*
4. *An adjusted AFDC count once each year.*
5. *Countywide average.*

11. For the Medi-Cal percentage for Program Planning and Policy development (PP&PD), do we use the percentage of Medi-Cal recipients served by the program(s) for which PP&PD is performed?

Claiming for Program Planning and Policy Development is done in the Direct Charge section of the MAA invoice. The Direct Charge section captures actual costs on an on-going basis. Therefore, it is expected that the time spent for each program in which program planning and policy development is claimed will be recorded for the entire time. For programs that serve the general population and for which an actual count will not be done, the countywide Medi-Cal average must be used as the discount factor. For programs in which the actual Medi-Cal clients served can be determined, the count must be done for one full month of each quarter. The method used to determine the Medi-Cal discount percentage must be described in the MAA Claiming Plan approved by DHS and HCFA. Changing the methodology of determining the Medi-Cal discount percentage requires an amendment to the MAA Claiming Plan. Direct Charging will be the subject of a forthcoming PPL.

12. What does "Time Units" mean on the PP&PD Worksheet? Can the Time Units be recorded for one month per quarter or do we need to maintain ongoing time logs?

"Time Units" used may be defined by the LGA. Examples include 15 minute increments, hours, or days. However, once a time unit is chosen it must be used consistently on the PP&PD Worksheet. The intent of the PP&PD Worksheet is to record actual costs each quarter. Therefore, an ongoing log must be maintained of the time spent performing PP&PD for each program.

13. On the PP&PD Worksheet do we list all programs for which PP&PD is performed during the year, or only those programs for which PP&PD is performed during the applicable quarter?

As the PP&PD Worksheet documents actual time spent each quarter, only list those programs for which PP&PD is performed during the quarter. Note that the programs listed must match those stated in the approved MAA Claiming Plan.

14. If PP&PD is only performed by non-SPMPs, is it necessary to separate the general administration time and paid time off (PTO) on the PP&PD Worksheet since all time will be reimbursed at 50% FFP?

No. However, if you do not divide out general administration and PTO, you must note this in a transmittal letter accompanying the invoice and maintain documentation of this in your audit file.

15. If PP&PD is the only MAA to be claimed on the invoice, how can we claim an appropriate overhead allocation (indirect rate) for PP&PD costs? There will be no Cost Pool #6 on the claim.

If the claiming unit has an overhead rate (percentage) established, this percentage can be multiplied by the Total Salaries and Benefits (Line DC and/or Line EC on the PP&PD Worksheet.) The resulting amount is then added to PP&PD Other Costs (Line DD and/or Line ED on the PP&PD Worksheet.) The PP&PD Worksheet will then factor all PP&PD costs by the appropriate Medi-Cal percentages to arrive at claimable costs. Documentation must be maintained in the audit file to support all costs that are included on the Other Costs line(s). A listing of "Other Costs" must be submitted with the claim for the first quarter of each FY. If the overhead costs are part of the "Other Costs" it should be stated on the list.

16. For FY 1995-96 and 1996-97, PP&PD is only allowable when performed by a unit of one or more employees who spend 100 percent of their paid working time performing PP&PD. We have an employee who is employed by two separate departments within the LGA. Each department is a separate budget unit. This employee works 25% time for Department A and 75% time for Department B. 100% of this employee's paid time for Department A is spent on PP&PD. Can the costs of this employee be claimed as PP&PD by Department A?

Yes. Department A must be a separate claiming unit and only the costs of Department A shall be included on the claim for Department A.

17. If MAA/TCM Coordination is the only MAA to be claimed on the invoice, how can we claim an appropriate overhead allocation (indirect rate) for MAA/TCM Coordinator costs? There will be no Cost Pool #6 on the claim.

If the claiming unit has an overhead rate (percentage) established, this percentage can be multiplied by the MAA/TCM Coordinator's salary and benefit costs. If the MAA/TCM Coordinator is not full time, the overhead rate must only be applied to the portion of time spent on MAA/TCM Coordination. The resulting amount is then entered on a separate line in Section 3 of the Direct Charges Worksheet. Label the line "Indirect rate @ _____%." The Medi-Cal/Certified Time Factor would be 100%.

18. If we direct charge staff that spend less than 100% time, such as 40% time, on MAA/TCM Coordination and Claims Administration, what happens to the remaining percentage of time?

The Direct Charges Worksheet will allocate the cost of the time and carry forward the remaining, non-claimable, cost to Cost Pool #3B on the Detail Invoice.

19. In addition to performing MAA/TCM Coordination and Claims Administration on a part time basis, some of our staff perform functions that would normally be included in Cost Pool #6. An example would be performing payroll for the entire claiming unit, which would include payroll for other employees performing MAA. If we direct charge the MAA/TCM Coordination and Claims Administration costs, do we lose the portion of time that could legitimately be considered overhead?

This issue will be the subject of a forthcoming PPL.

20. Our MAA/TCM Coordinator spends 60% time on MAA/TCM Coordination. Do we put this person's other costs, such as travel to MAA/TCM meetings, on the same line under Other Costs?

No. The percentage, in this case 60%, entered in the Medi-Cal/Certified Time Factor % column will factor all costs on that line by 60%. The travel costs described are 100% claimable. Enter "MAA/TCM Coordinator Travel Expenses" on a separate line in Section 3 of the Direct Charges Worksheet. Enter 100% in the Medi-Cal/Certified Time Factor % column, and enter the travel costs in the Other Costs column.

21. We intend to direct charge for a contractor that performs more than one MAA. How do we enter this on the Direct Charges Worksheet?

To direct charge the costs for a contractor, the LGA contract with the contractor must be "specific." Each MAA to be performed must be described in the contract and the dollar amount to be paid for each MAA must be specified. Each MAA performed by the contractor must be entered on a separate line in Section 3 of the Direct Charges Worksheet. The Medi-Cal/Certified Time Factor % column would be used to enter the applicable Medi-Cal percentage.

22. We contract with a billing agent/consultant to prepare MAA claims. Is a billing agent/consultant considered a contractor and is a separate invoice required?

Generally, a separate invoice must be submitted for each contractor. However, the requirement for separate invoices for contractors was intended for contractors that perform MAA such as Outreach and Facilitating Medi-Cal Application. Billing agents/consultants function under the category of MAA/TCM Coordination and Claims Administration. The actual costs for billing agents/consultants can be direct charged on the invoice of the claiming unit incurring the costs. Enter the description, such as MAA Claims Preparation Consultant in Section 3 of the Direct Charges Worksheet and enter the costs under Other Costs. The Medi-Cal/Certified Time Factor % would be 100%.

23. If a claiming unit staff person only performs one MAA, such as Outreach A, can that person's time be direct charged?

No. The only LGA staff that can be direct charged are MAA/TCM Coordination and Claims Administration staff and staff performing PP&PD 100% of their paid working time. All other staff who perform MAA must time survey.

24. Is the MAA/TCM Participation Fee claimable as MAA/TCM Coordination?

The portion of the MAA/TCM Participation Fee that pays for the SDHS costs is not claimable. This issue will be the subject of a forthcoming PPL.

25. We intend to direct charge the costs of providing MAA Transportation. How do we determine the costs?

Pursuant to Article III.3 of the Medi-Cal Administrative Activities Master Contract, the actual costs of arranging and providing non-emergency, non-medical transportation of Medi-Cal eligibles to Medi-Cal covered services are allowable as a Medi-Cal administrative cost to the extent that such costs are actually borne by the LGA in accordance with 42 Code of Federal regulations, Section 440.170. The cost of providing non-emergency, non-medical transportation for which no actual cost is borne by the LGA is not an allowable MAA cost.

The claiming unit must describe in the MAA Claiming Plan the methodology that will be used to determine the non-emergency, non-medical transportation costs and how the costs will be calculated. The claiming unit is responsible for developing a system for recording, on an ongoing basis, the claimable costs. For example, if a transportation entity, such as a van service, transports both Medi-Cal and non-Medi-Cal clients, and transports these persons to both Medi-Cal covered services and to services not covered by Medi-Cal, then a log will need to be maintained to isolate the claimable costs.

Costs of staff time spent arranging for non-emergency, non-medical transportation will be derived using the standard time survey percentages.

26. What are some examples of other costs that can be direct charged?

Costs that will be direct charged must be specifically related to the performance of MAA and/or MAA/TCM Coordination and Claims Administration. Each item must be listed separately in Section 3 of the Direct Charges Worksheet, the appropriate percentage entered in the Medi-Cal/Certified Time Factor % column, and the costs entered in the Other Costs column. Examples are listed below:

1. The printing of materials used for Outreach A. (Percentage factor = 100%)
2. A computer used to prepare MAA Invoices. (Percentage factor = the percentage of time the computer will be used to prepare MAA Invoices.)
3. MAA/TCM Coordinator travel expenses. (Percentage factor = 100%)
4. A consultant retained to provide MAA training. (Percentage factor = 100%)

27. How much detail is required on the Funding Sources Worksheet?

Enough detail must be provided so that the SDHS can determine whether the funding is offset against the appropriate cost pool. Under Federal Grants and State General Funds, list the name of the grant, such as MCH Black Infant Health. If using acronyms, submit a listing which identifies the full name. Medi-Cal, Medicare, and Insurance are usually for patient care. Fees that are for patient care can be listed on one line. You do not need to separately list the purpose of the fee (e.g., exams, medications, etc.). For fees that are not related to patient care, list the source of the fee. Under Other Revenue, list major categories of revenue, such as Realignment, private foundation grants, or donations. Other sources of revenue, such as rentals, cafeteria sales, training fees, etc., can be grouped as Miscellaneous Revenue.

28. If our claim is only for direct charging MAA/TCM Coordination and Claims Administration, for which we receive no revenue, do we enter anything on the Funding Sources Worksheet?

Yes. In the "Not Offset Funds" column of the Other Revenue section, list the county/city general funds used to support these costs.

29. What are some examples of revenue which would be offset against Cost Pools #1 and #2?

The only revenue that would be offset against these cost pools is revenue that specifically supports the MAA that is being claimed. An example would be a grant that pays for outreach to Medi-Cal beneficiaries. Revenue is assigned to a cost pool based on the purpose of the revenue, not based on the staff included in the cost pool. For example, patient care revenue is offset against Cost Pool #3 even though the salaries of some of the staff that generated the revenue are included in Cost Pools #1 or #2, if they perform any MAA.

30. Do we list MAA revenue from previous quarters on the Funding Sources Worksheet?

No. MAA revenue is never offset against a MAA invoice.

31. Do we list TCM revenue on the Funding Sources Worksheet? If so, which cost pool do we offset the revenue against?

TCM revenue is only listed if the costs for TCM are included on the MAA invoice. TCM costs are considered in the same category as "Other Programs" (non-claimable) for purposes of the MAA invoice. Therefore, the TCM revenue is offset against Cost Pool #3.

32. How do we handle revenue earned in a prior year and received in the current year?

This issue will be the subject of a forthcoming PPL.

33. How do we handle grants that are received as a lump sum to pay for programs for the entire fiscal year? If we offset the entire grant in the quarter in which the revenue is received, this may result in a "negative" claim.

An option is to divide the total amount of the grant by the number of quarters included in the grant period. For example, if the grant is for \$40,000 and the grant period is July 1, 1996 through June 30, 1997, the grant would be divided by four. During each quarter of FY 1996-97, \$10,000 would be included on the Funding Sources Worksheet.

34. What level of detail is required for the description of Other Costs categories?

A description that lists general categories of costs, such as office supplies, printing and utilities is acceptable. For a broad category, such as equipment, you should provide more detail on major equipment costs, such as a new computer system. Do not include the actual costs of the items in the description. For insurance, indicate the type. i.e., liability, malpractice, etc.

35. What level of detail is required for the list of classifications included in Cost Pool #6?

List the civil service classifications of the persons whose salaries are included in Cost Pool #6. Do not include the names of the persons.

36. If we do not have an entry for a particular cell, do we need to enter zero?

No. The invoice is preformatted with zeros. When you enter a number, you override the zero.

37. If we submit invoices for more than one claiming unit, will we receive separate checks for each invoice?

No. Only one check is issued per LGA. The remittance notice that accompanies the check will list the invoices included in the remittance.

38. The MAA Contract states that MAA invoices must be submitted within 18 months of the end of the quarter for which the claim is to be made. Our MAA Claiming Plan has not been approved and we cannot submit invoices until the plan is approved. Does this mean that we cannot claim for the first quarter of FY 1995-96?

No. Due to the delayed issuance of the MAA Claiming Plan Instructions, the 18 month limit will not be enforced during FY 1996-97. However, all claims must be submitted to HCFA within two years of the end of the quarter for which the claim is to be made. As the Federal Liaison Unit (FLU) must review claims prior to submittal to HCFA, all claims for the first quarter of FY 1995-96 must be received by the FLU by August 15, 1997.